

RHS, RBS, RUS, FSA, USDA**Pt. 1941, Subpt. A, Exh. A**

(2) When necessary, prepare and execute a substitute promissory note reflecting the revised total of the loan and the revised repayment schedule. When it is not necessary to obtain a substitute promissory note, the County Supervisor will show on Form FmHA or its successor agency under Public Law 103-354 440-57 the revised amount of the loan and the revised repayment schedule.

(d) *Increase or decrease in loan amount.* If it becomes necessary to increase or decrease the amount of the loan prior to closing, the County Supervisor will request that all distributed docket forms be returned to the County Office for reprocessing unless the change is minor and replacement forms can be promptly completed and submitted.

[53 FR 35684, Sept. 14, 1988, as amended at 54 FR 39727, Sept. 28, 1989; 59 FR 54788, Nov. 2, 1994]

§§ 1941.36–1941.37 [Reserved]**§ 1941.38 Loan closing.**

Operating loans will be closed in accordance with subpart B of part 1941 of this chapter.

§§ 1941.39–1941.41 [Reserved]**§ 1941.42 Loan servicing.**

Loans will be serviced in accordance with subpart A of part 1962 of this chapter and/or subpart S of part 1951 of this chapter.

§§ 1941.43–1941.49 [Reserved]**§ 1941.50 State supplements.**

State supplements will be issued as necessary to implement this subpart.

**EXHIBIT A TO SUBPART A OF PART 1941—
PROCESSING GUIDE—INSURED OPER-
ATING LOANS**

This exhibit outlines the basic steps involved in processing a loan application and identifies the FmHA or its successor agency under Public Law 103-354 forms which should be considered for use at each step.

Consult the appropriate Forms Manual Insert (FMI) for instructions for completion, distribution, and procedural references for each form.

APPLICATION PROCESSING**A. APPLICANT INTERVIEW**

Review applicant's proposed plan of operation in view of authorized loan purposes and limitations on loans.

Begin running case record.

Provide applicant with FmHA or its successor agency under Public Law 103-354 forms to be completed and returned which are needed to determine eligibility. Be sure applicant understands the purposes of the forms and knows who must complete them.

Advise applicant of other information that must be given to FmHA or its successor agency under Public Law 103-354.

When appropriate, have applicant contact other creditors as possible credit sources for financing, or participating in the financing, of the proposed operation.

The following FmHA or its successor agency under Public Law 103-354 forms will be made available to the applicant or will be used by the County Supervisor. Forms designated with an "x" are always required and those designated with an "*" are to be used when appropriate.

Form No	Name	
410-1	Application for FHA Services	(x)
1910-5	Request for Verification of Employment.	(*)
410-9	Statement Required by the Privacy Act.	(*)
410-10	Privacy Act Statement to References	(*)
1910-11	Applicant Certification, Federal Collection Policies for Consumer or Commercial Debts.	(x)
431-1	Long-Time Farm and Home Plan	(*)
431-2	Farm and Home Plan	(x)
431-4	Business Analysis—Nonagricultural Enterprise.	(*)
440-32	Request for Statement of Debts and Collateral.	(*)
1940-51	Crop-Share-Cash Farm Lease	(*)
1940-53	Cash Farm Lease	(*)
1940-55	Livestock-Share-Farm Lease	(*)
1940-56	Annual Supplement to Farm Lease	(*)

B. FIELD VISIT

Notify applicant of planned visit and its purpose.

Evaluate the resources available to the applicant and determine whether or not they adequately fulfill the requirements of the proposed plan of operation.

Obtain information needed to complete required appraisals (chattel and real estate).

Hold landlord-tenant meeting, if necessary, to reach an agreement on the terms of the lease, resolve any problems, etc.; record in running case record.

Determine security requirements and record in running case record.

The following FmHA or its successor agency under Public Law 103-354 forms will be used as appropriate: